



THE SECRETARY OF THE TREASURY

WASHINGTON

July 26, 1982

MEMORANDUM FOR: WILLIAM P. CLARK
ASSISTANT TO THE PRESIDENT FOR
NATIONAL SECURITY AFFAIRS

SUBJECT: Meeting of the Senior Interagency Group
on International Economic Policy (SIG-IEP),
July 26, 1982

At the meeting of the SIG-IEP today, the group decided
as follows:

-- The majority recommended that the Secretary of
Agriculture be authorized to propose a simple extension of the
Grain Agreement for one year.

-- The majority further recommended that after the
Agreement is extended, the Secretary of Agriculture will be
authorized, pursuant to the Agreement, to consult with the
Soviets as to possible purchase of higher amounts than those
provided for in the Agreement. While all participants could
accept this result, the Secretary of Agriculture would have
preferred attempting to get from the Soviets agreement to
higher minimums as part of the one-year extension of the
Agreement, and the Secretary of Defense would have preferred
letting the Agreement lapse.

-- The group also recommended that, before announcement
of any decision, discussion with allies should take place and,
therefore, if possible, the announcement should be delayed until
at least August 2.

Voting for their agencies were the following:

Secretary Regan
Secretary Weinberger
Under Secretary Buckley
Secretary Block
Secretary Baldrige
Director Stockman
Jerry Jordan
David Macdonald
Roger Porter

Treasury
Defense
State
Agriculture
Commerce
OMB
CEA
USTR
OPD
CIA

NSC
review
completed.

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DR
Donald T. Regan

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At the meeting of the SIG-IEP today, the following options were discussed:

- (1) The President should let the US-USSR grain agreement lapse.
- (2) The President should authorize the exploration with the Soviets of the possibility of an extension of the existing US-USSR grain agreement for one year.

Under this option, there were two further alternatives:

- (2a) Pursuant to the consultations provided for in the agreement, the President should authorize U.S. officials to explore the possibility of additional grain sales beyond those provided for in the agreement.
- (2b) In connection with extension of the existing US-USSR grain agreement, the President should authorize U.S. officials to discuss the possibility of having higher minimum grain purchases in the agreement.

In a split vote a majority of the SIG-IEP recommended Option 2a.

Attached is language which would be used publicly in announcing either option (2)(a) or option (2)(b), whichever is the President's decision.

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ATTACHMENT

Option 2(a)

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I have authorized U.S. officials to explore the possibility of an extension of the existing US-USSR grain agreement for one year. I have further authorized them to explore in the consultations with the Soviets, normally conducted under the agreement, the possibility of additional grain sales to the Soviet Union.

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Option 2(b)

I have authorized U.S. officials to explore the possibility of an extension of the existing US-USSR grain agreement for one year. I have further authorized them in connection with this extension to discuss the possibility of higher minimum grain sales to the Soviet Union.

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☐ Declassify ☒ Review for 7/28/88